



## DEPARTMENT OF COMMERCE

### Bureau of Economic Analysis

#### **Proposed Information Collection; Comment Request; Direct Investment Surveys: BE-577, Quarterly Survey of U.S. Direct Investment Abroad—Transactions of U.S. Reporter with Foreign Affiliate**

**AGENCY:** Bureau of Economic Analysis, Commerce.

**ACTION:** Notice.

**SUMMARY:** The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

**DATES:** Written comments must be submitted on or before [insert date 60 days after date of publication in the Federal Register].

**ADDRESSES:** Direct all written comments to Jessica Hanson, Chief, Direct Transactions and Positions Branch, Direct Investment Division, Bureau of Economic Analysis, 4600 Silver Hill Rd, BE-69Q, Washington, DC 20233, or via email at [PRAComments@doc.gov](mailto:PRAComments@doc.gov).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the information collection instrument and instructions should be directed to Jessica Hanson, Chief, Direct Transactions and Positions Branch, Direct Investment Division (BE-49Q), Bureau of Economic Analysis, U.S. Department of Commerce, 4600 Silver Hill Rd, Washington, DC 20233; via e-mail at [Jessica.Hanson@bea.gov](mailto:Jessica.Hanson@bea.gov).

**SUPPLEMENTARY INFORMATION:**

## **I. Abstract**

The Quarterly Survey of U.S. Direct Investment Abroad—Transactions of U.S. Reporter with Foreign Affiliate (Form BE-577) obtains quarterly data on transactions and positions between U.S.-owned foreign business enterprises and their U.S. parents, except certain private funds. The survey is a sample survey that covers all foreign affiliates above a size-exemption level. The sample data are used to derive universe estimates in nonbenchmark years from similar data reported in the BE-10, Benchmark Survey of U.S. Direct Investment Abroad, which is conducted every five years. The data are essential for the preparation of the U.S. international transactions accounts, the national income and product accounts, the input-output accounts, and the international investment position of the United States. The data are needed to measure the size and economic significance of direct investment abroad, measure changes in such investment, and assess its impact on the U.S. and foreign economies.

The Bureau of Economic Analysis (BEA) proposes changes to the reporting requirements and content of the survey. BEA proposes to increase the reporting threshold for indirectly-owned foreign affiliates from \$1 million in intercompany debt balances to \$10 million. These foreign affiliates must also have total assets, annual sales or gross operating revenues, or annual net income (loss) after the provision for foreign income taxes greater than \$60 million. We estimate that this threshold increase will exempt approximately 1,700 foreign affiliates from the BE-577 survey. These affiliates account for less than 1 percent of intercompany debt and their balances will be estimated using data reported on the benchmark survey.

Additionally, BEA proposes to add a question for each debt category (receivables and payables) on the currency composition of intercompany debt. BE-577 survey respondents will be asked to provide the amount of debt denominated in U.S. dollars, euros, yen, and other currencies. These data will allow BEA to produce international investment position statistics by

currency, as recommended by the G-20 Data Gaps Initiative II.

Both of these changes will take effect with the BE-577 survey that is due for the first quarter of 2020 (the fiscal quarter ending closest to March 30). BEA expects that the collection of information will be approved for fourth quarter of 2019 (the fiscal quarter ending closest to December 31), when the current approval expires. The current version of the BE-577 survey, without the changes discussed above, will be used by respondents to report for the fourth quarter of 2019.

## **II. Method of Collection**

Notice of specific reporting requirements, including who is to report, the information to be reported, the manner of reporting, and the time and place of filing reports, will be mailed to potential respondents each quarter. Reports are due 30 days after the close of each calendar or fiscal quarter—45 days if the report is for the final quarter of the respondent's financial reporting year. Reports are required from each U.S. person that has a direct and/or indirect ownership interest of at least 10 percent of the voting stock in an incorporated foreign business enterprise, or an equivalent interest in an unincorporated foreign business enterprise, and that meets the additional conditions detailed in Form BE-577. Certain private funds are exempt from reporting. Entities required to report will be contacted individually by BEA. Entities not contacted by BEA have no reporting responsibilities.

Potential respondents are those U.S. business enterprises that reported owning foreign business enterprises in the 2014 benchmark survey of U.S. direct investment abroad, along with entities that subsequently entered the direct investment universe. The data collected are sample data. Universe estimates are developed from the reported sample data.

As an alternative to filing paper forms, BEA offers an electronic filing option, the eFile system, for use in reporting on Form BE-577. For more information about eFile, go to [www.bea.gov/efile](http://www.bea.gov/efile).

### **III. Data**

*OMB Control Number:* 0608-0004.

*Form Number:* BE-577.

*Type of Review:* Regular submission.

*Affected Public:* Businesses or other for-profit organizations.

*Estimated Number of Respondents:* 3,000 U.S. parents filing for 20,800 foreign affiliates per quarter, 83,200 annually.

*Estimated Time Per Response:* 1 hour is the average but may vary considerably among respondents because of differences in company structure and complexity.

*Estimated Total Annual Burden Hours:* 83,200.

*Estimated Total Annual Cost to Public:* \$0.

*Respondent's Obligation:* Mandatory.

*Legal Authority:* International Investment and Trade in Services Survey Act (P.L. 94-472, 22 U.S.C. 3101-3108, as amended by P.L. 98-573 and P.L. 101-533).

### **IV. Request for Comments**

Comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (b) the accuracy of the Agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection

techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

**Sheleen Dumas,**

*Departmental Lead PRA Officer, Office of the Chief Information Officer, Commerce Department.*

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